



Joint Appropriations Subcommittee on Transportation Overview Handout

March 27, 2013



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Our Mission

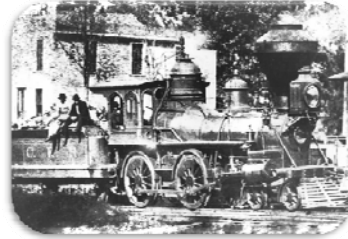
*To maximize the value of the
North Carolina Railroad Company's properties for
the people of North Carolina through partnerships
that drive economic growth, enhance freight and
passenger service, improve safety and
respect the natural environment.*



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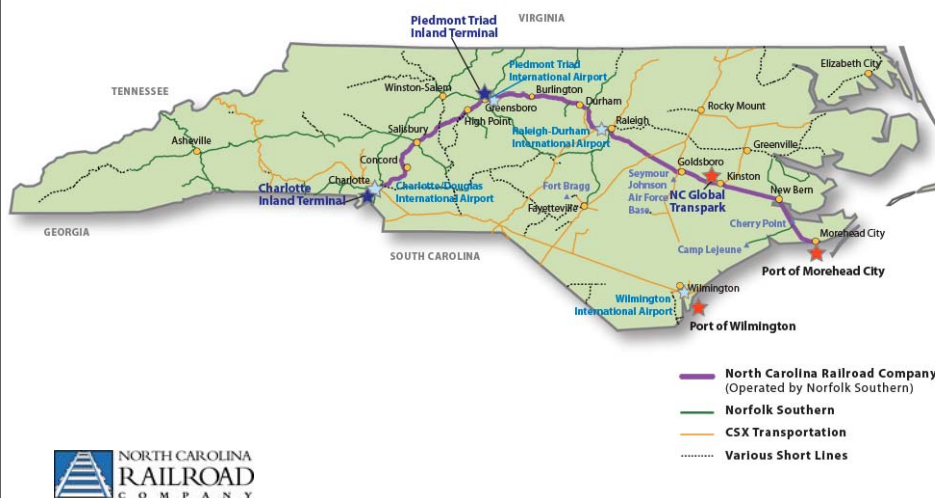
Company History

- Business corporation chartered in 1849
- Founded with both private and state stock owners
- Operated by Southern Railway under a 99-year net lease, which expired in 1995
- Remaining private shares acquired in 1998 (\$61 million note)
- New (net) agreement with Norfolk Southern in 1999; Renewals to 2044



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NCRR Franchise



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NCRR Assets

- 317-mile, 200-foot wide corridor from Charlotte to Morehead City
- Stations & Buildings
- Yards & Maintenance Facilities
- Other Land & Property



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NCRR Property

- Original Corridor - 7,662 acres
 - Roadways in the Corridor - 460.1 acres
- Corridor Additions - 189.5 acres
- Other Property - 203.2 acres

All NCRR property is included in ad valorem tax base (city/county)



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Organization

- 13 member Board of Directors
 - 6 appointed by Legislature; 7 appointed by Governor
 - 4 year staggered terms
- Long-term, renewable lease with Norfolk Southern, that runs through 2044.
 - Lease generates approximately \$12-14 million each year in working capital
 - Corporate revenue funds NCRR's expenses, including its 14 full-time employees
- NCRR receives no state appropriations



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N.C. General Statute 124-5.1

- (a) Notwithstanding the provisions of G.S. 136-16.6, in order to increase the capital of the North Carolina Railroad Company, any dividends of the North Carolina Railroad Company received by the State shall be applied to reduce the obligations described in subsection (c) of Section 32.30 of S.L. 1997-443, as amended by subsection (d) of Section 27.11 of S.L. 1999-237. Any dividends of the North Carolina Railroad Company received by the State shall be used by the Department of Transportation for the improvement of the property of the North Carolina Railroad Company as recommended and approved by the Board of Directors of the North Carolina Railroad Company. The improvements may include the following project types:
- (1) Railroad and industrial track rehabilitation.
 - (2) Railroad signal and grade crossing protection.
 - (3) Bridge improvements.
 - (4) Corridor protection.
 - (5) Industrial site acquisition.
- (b) Effective January 1, 2000, interest shall not be accrued or otherwise charged on the remaining balance of the obligations described in subsection (c) of Section 32.30 of S.L. 1997-443, as amended by subsection (d) of Section 27.11 of S.L. 1999-237. Interest accrued on those obligations relating to periods prior to January 1, 2000, shall be deemed paid and contributed by the State to the capital of the North Carolina Railroad Company.

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NCRR's Benefit to the State is Driven by Capital Investment

- NCRR invests 80+% of its revenue into capital improvements

- Bridges (height, width, and weight restrictions)
- Underpasses (safety)
- New passing and main tracks (capacity)
- Control signals (efficiency)
- Crossing improvements (safety)



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NCRR Capital Investments 2001-2020*

Total Cost of Completed Projects: \$111 million

NCRR expenditure in Completed Projects: \$68 million

Total Cost of Projects Currently Under Contract/Committed: \$356 million

NCRR commitment to Current Projects: \$63.5 million

Estimated Cost of Future Projects: \$200+ million

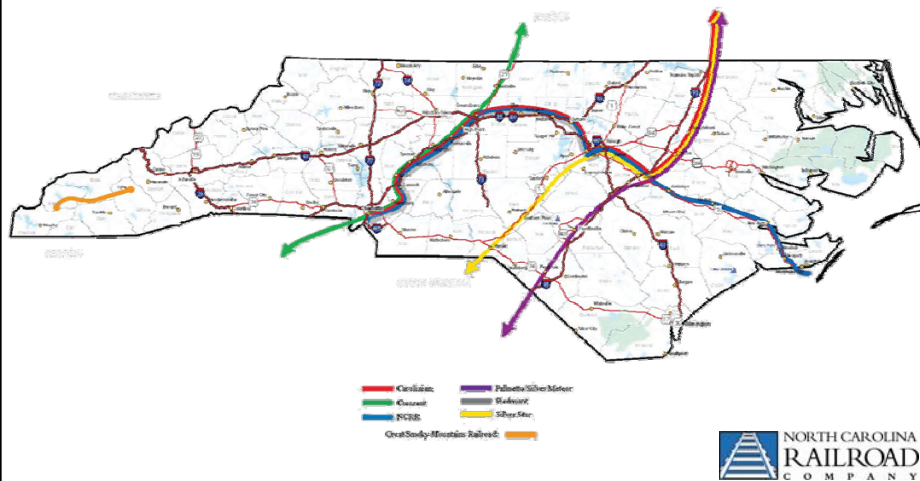
NCRR min. budget for these Future Projects: \$41.5 million

Additional funds required (by partners and/or NCRR): \$158.5 + million

*Excludes engineering & overhead costs

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NC Amtrak Routes



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NCRR Economic Impact

- 24% of N.C. industrial economic output relies on the N.C. Railroad line for freight service
- The 254,000 freight cars on the NCRR equals 762,000 trucks on N.C.'s highways
- NS/NCRR customers spend \$74.7 million on freight in NC
- Total NC economic impact: \$143 million annually

Source: 2007 study, Research Triangle Institute



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Community Relationships & Business Development

- Chambers of Commerce
- Rail Projects - NC Dept. of Commerce
- Local Economic Development Commissions & Regional Partnerships
- MPOs & County/Municipal Governments



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Railroads Mean Business & Jobs



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Our Partners



The slide displays a collection of logos for various organizations and agencies that are partners of the North Carolina Railroad Company. The logos are arranged in a grid-like fashion. At the top left is the NC Chamber logo. To its right is the Norfolk Southern logo. Below the NC Chamber logo is the CATS logo. To its right is the State of North Carolina Department of Transportation logo. Below the CATS logo is the NCEA logo. To its right is the Triangle Transit logo. Below the Triangle Transit logo is the NC League of Municipalities logo. To the right of the State of North Carolina Department of Transportation logo is the North Carolina Department of Commerce logo. To its right is the North Carolina Main Street logo. Below the North Carolina Department of Commerce logo is the CSX logo. To its right is the North Carolina 811 logo.

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The slide features the North Carolina Railroad Company logo, which consists of a stylized blue and white graphic of a train track leading into the distance, followed by the text "NORTH CAROLINA RAILROAD COMPANY". Below the logo is a QR code that, when scanned, likely leads to the company's website. At the bottom of the slide is the website address "www.ncrr.com".

www.ncrr.com